

Washington Commerce Corridor Feasibility Study

PROJECT MANAGEMENT PLAN

Prepared for



**Washington State
Department of Transportation**



February 11, 2004



February 11, 2004

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RE: Project Management Plan
Washington Commerce Corridor Feasibility Study

Dear Ms. Ivanov:

We are pleased to submit this *Project Management Plan* (PMP) which was prepared in accordance with our contract for the *Washington Commerce Corridor Feasibility Study*.

This PMP is intended to serve as a guide to identify and facilitate key project activities. As with any planning guide, it is recognized that some of the enclosed information such as dates indicated for major milestones and deliverables could change based on unanticipated project requirements.

Copies of this document will be provided to all Consultant Team members. Please distribute this to all Steering Committee members for their use and review throughout the project duration.

We look forward to working with you and the Steering Committee on this important project.

Very truly yours,

WILBUR SMITH ASSOCIATES

Arno Hart
Project Manager

AH/crl
399050

Albany NY, Anaheim CA, Atlanta GA, Baltimore MD, Bangkok Thailand, Burlington VT, Charleston SC, Charleston WV, Chicago IL, Cincinnati OH, Cleveland OH, Columbia SC, Columbus OH, Dallas TX, Dubai UAE, Falls Church VA, Greenville SC, Hong Kong, Houston TX, Iselin NJ, Kansas City MO, Knoxville TN, Lansing MI, Lexington KY, London UK, Milwaukee WI, Mumbai India, Myrtle Beach SC, New Haven CT, Orlando FL, Philadelphia PA, Pittsburgh PA, Portland ME, Poughkeepsie NY, Raleigh NC, Richmond VA, Salt Lake City UT, San Francisco CA, Tallahassee FL, Tampa FL, Tempe AZ, Trenton NJ, Washington DC

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I. PROJECT OVERVIEW

Introduction

This study seeks to address the issue of congestion along Western Washington's major transportation corridor for the movement of intercity freight and passenger travel. This corridor contains Interstate 5, the mainline railroads, and major intercity pipeline facilities, which each operate on separate rights of way but roughly in the vicinity of Interstate 5. This transportation corridor runs through the Seattle/Everett/Tacoma metropolitan area, and serves intercity, metropolitan, and local transportation demands. As congestion on these facilities has grown due to metropolitan traffic, the ability to efficiently move passengers and freight through the metropolitan areas has eroded. Over the years, there has been talk of the need for additional through capacity, perhaps in a separate corridor. The 2003 Washington State Legislature appropriated \$500,000 in the 2003-2005 State Transportation Budget for WSDOT to oversee a study to determine the feasibility of a privately built and operated transportation corridor, called the Washington Commerce Corridor, to serve as an alternative to the Interstate 5 corridor.

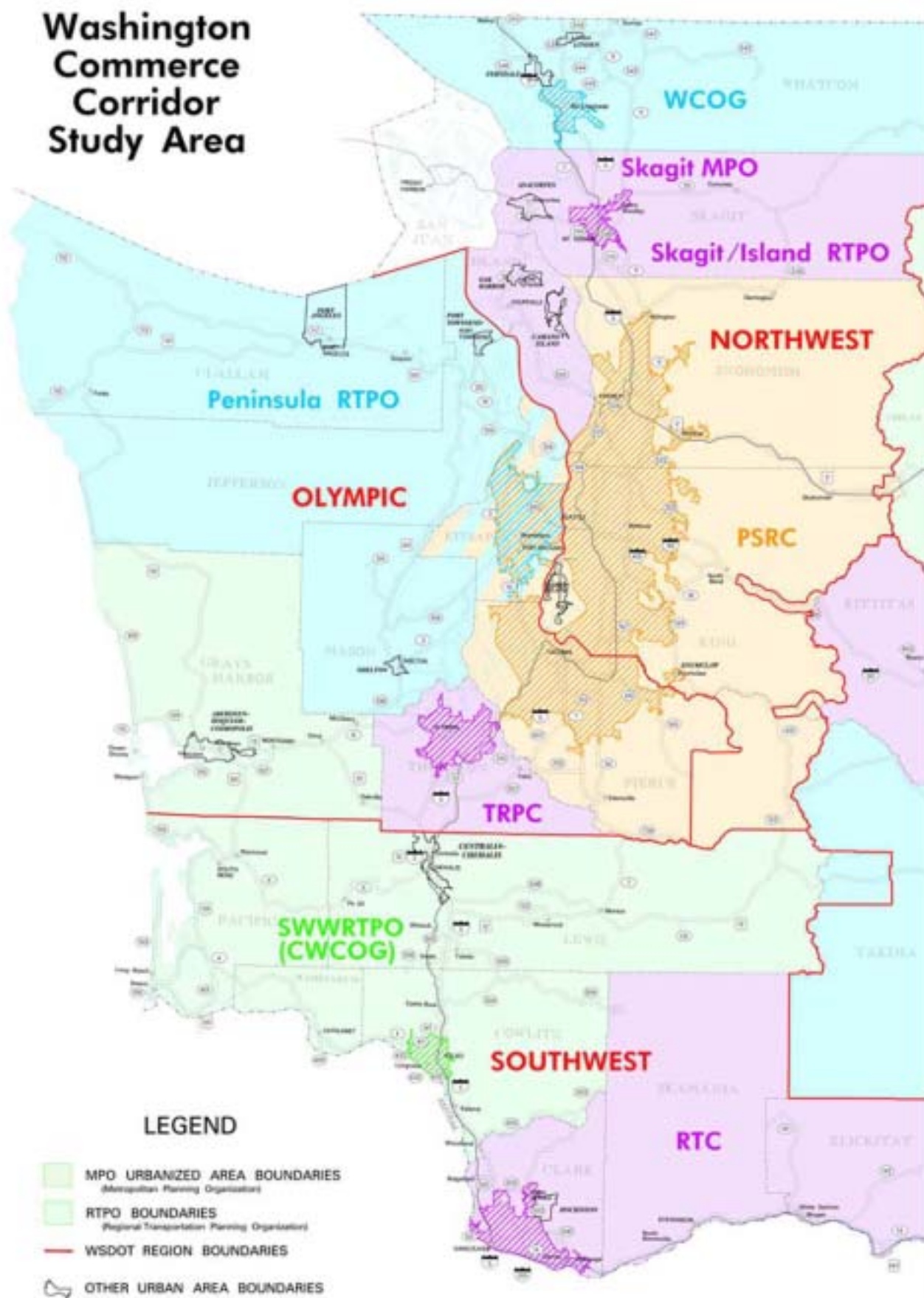
The Washington Commerce Corridor Feasibility Study

The Washington Commerce Corridor is conceived as a N-S corridor, which may be an alternative route to I-5 that facilitates the movement of freight, goods, people, and utilities. The corridor starts in the vicinity of Lewis County and extends northerly to the vicinity of the Canadian border. The corridor will be situated east of I-405 and west of the Cascade Mountains. The corridor may include the ability to carry long-haul freight and passenger auto travel as well as provide for freight rail, passenger rail, public utilities and other facilities which can be incorporated to maximize use of the corridor.

This study is conducted under the direction of the Washington State Department of Transportation (WSDOT). A consultant team, led by Wilbur Smith Associates (WSA), will provide the specialty skills concerning transportation planning, engineering (limited), trade, commerce, freight logistics, economic analysis, financial feasibility, revenue enhancement opportunities, environmental issues, community impacts, public/private initiatives and corridor issues and realities required for this study. In addition, the WSA Team will work closely with a Project Steering Committee and Project Advisory Board composed of WSDOT staff, legislators, local jurisdiction representatives and participants representing pipeline, truck, rail and other utility interests. These committees will provide project overview, input on evaluation criteria, needed data and information, oversight of the screening process and coordination of document review and approval. Draft findings of this study including preliminary recommendations as to the feasibility of the Washington Commerce Corridor are expected to be available in December 2004 with completion of the study in January 2005.

The Washington commerce corridor would need to be developed, financed, designed, constructed, and operated by private sector consortiums, and must be subject to a joint permitting process. Alternative scenarios will be evaluated using a decision tree screening process used to eliminate certain scenarios while continuing to assess those remaining against more detailed criteria. These variables will reflect, at minimum, buildability, potential use, ability to finance, legal constraints, environmental considerations and private sector interest. Factors such as costs to develop, construct and operate the corridor; potential sources of revenue to offset costs; opportunities for incremental development of the corridor and timeline for development will also be considered in the evaluation process.

Washington Commerce Corridor Study Area



October 9, 2003

II. CONSULTANT TEAM ROLES/ORGANIZATION

Wilbur Smith Associates

- € Lead Firm/Overall Project Management
- € Evaluation Approach and Definition of Feasibility
- € Definition of Project Features
- € Preliminary Financial Information – Potential Revenue
- € Potential Environmental & Community Issues
- € Draft and Final Reports

HNTB Corporation

- € Definition of Project Features
- € Preliminary Financial Information
– Estimated Project Costs

Huckell/Weinman Associates

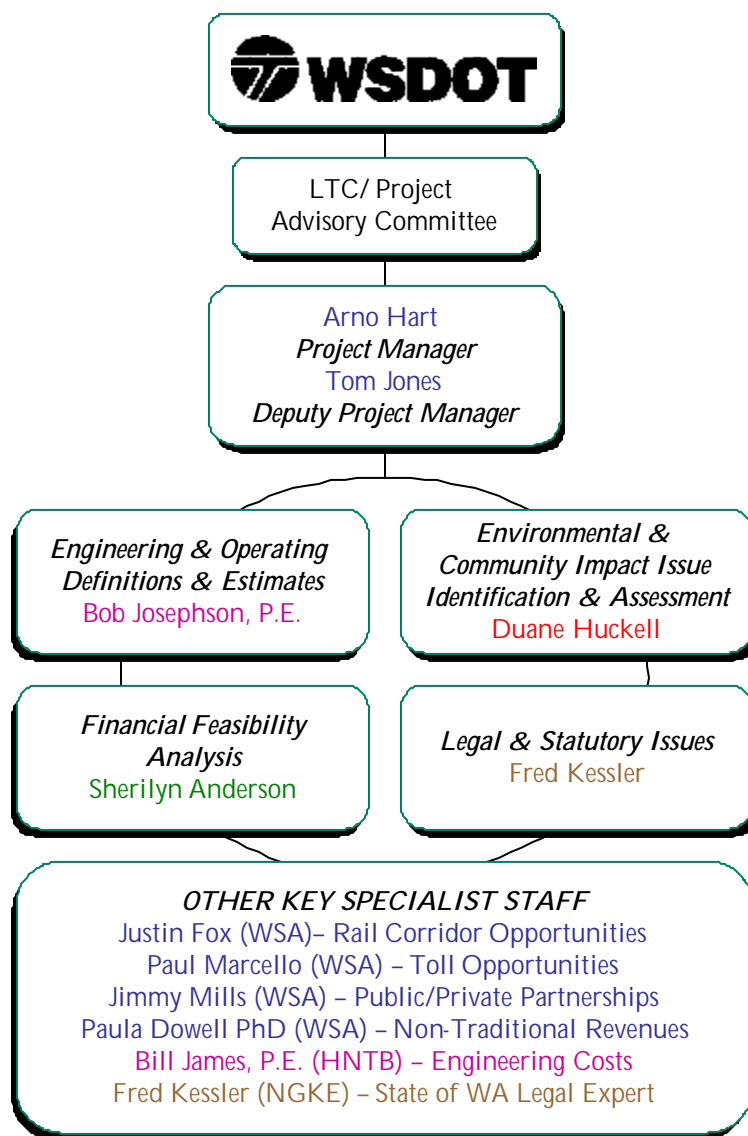
- € Identification of Potential
Environmental Issues
- € Identification of Potential
Community Issues

Nossaman Guthner Knox Elliott LLP

- € Legal and Statutory Provisions

UBS Financial Services

- € Preliminary Financial Information
– Financial Packaging



III. PROJECT PARTICIPANTS

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IV. SCOPE OF WORK

Development of Work Plan

The entire WSA team will work with the WSDOT Project Manager to reconfirm the purpose and assumptions initiating the study. An initial “partnering session” with the team members, WSDOT staff assigned and legislative staff is also suggested to discuss how inevitable problem issues that may arise from unforeseen changes or circumstances will be resolved.

The Work Plan will be shared with the Steering Committee at the initial kick-off to get their feed back and comments. The work plan will also be shared with the Project Advisory Board at the initial Forum. The Department will take the lead in developing the composition of the Steering Committee as well as the Advisory Board, and in coordinating with these two bodies.

Task 1: Develop an Evaluation Approach and a Definition of Feasibility

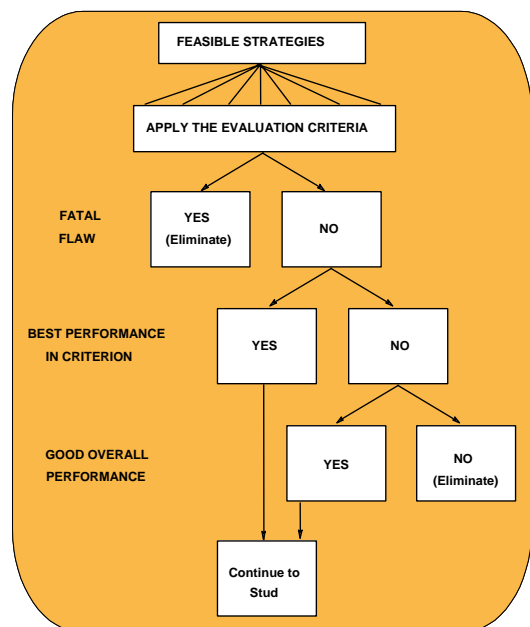
This task is the critical first step toward defining the overall framework for the study. In other words, what will be evaluated, and by what measures will it (the concept) be determined as feasible. While it is premature for this proposal to define the concept or its feasibility, this WSA Team proposal puts forward the fact that this is a process we have perfected. WSA has developed a decision tree screening process for other corridors which will be modified and applied to this “Commerce Corridor.”

To make assessment more manageable it is suggested that a three-step “screening process” be followed. As depicted in the following chart, the idea is to evaluate alternative scenarios using a consistent and uniform set of criteria, eliminating some on this basis (with review and approval of the Advisory Committee) and carry on those remaining using more detailed criteria.

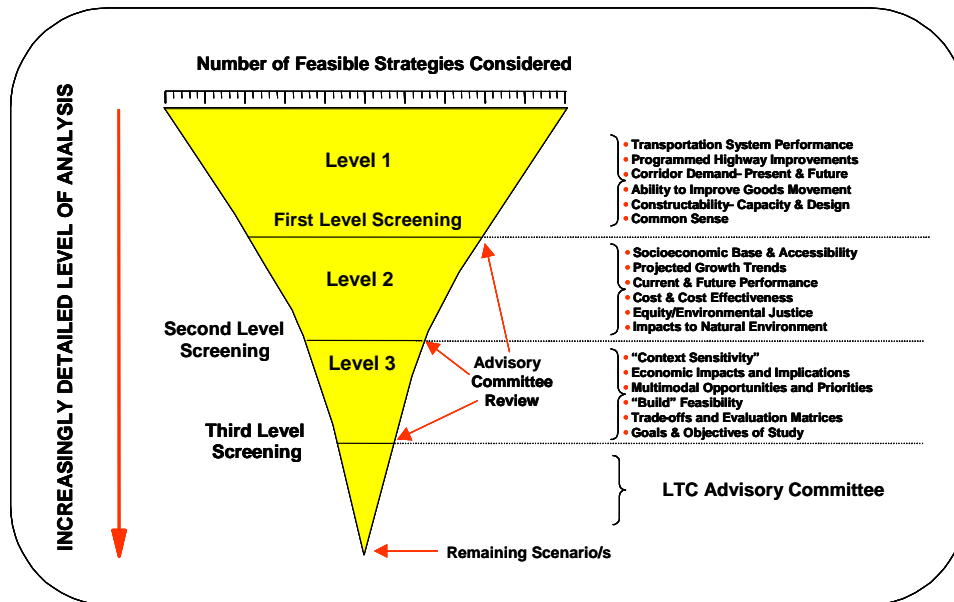
The key for this first task is for the WSA Team to work with the steering committee to define the variables that will go into the screening process. The variables are what provide the definitional framework for what the concept is and the measures by which its feasibility is determined. It is clear from the intent of the RFQ that one of the main tests of feasibility will be the desire by private interests to participate in the “development, financing, design, construction and operation” of the ultimate facility. Defining a general concept must depend upon the selection of the eventual uses in the corridor, which in turn is contingent upon “bankable” demand.

Elements of feasibility will include, at a minimum, buildability; potential use; ability to finance; legal constraints; and private sector interest.

Exhibit 1
Sample Corridor Feasibility Decision Tree



**Exhibit 2
Funnel Illustration of Feasibility Screening Process**



Task 2: Develop a Definition of Project Features

As stated earlier, it is premature for this proposal to outline a development concept. However to illustrate the full spectrum of features that will need to be considered, the following is a straw concept. An initial driving force for this corridor may be the emerging and increasing need to provide a safe pipeline corridor outside of the populated areas of Western Washington. A private pipeline "partner" might provide both a political and financial catalyst for initial corridor development. The movement of rail freight and other utility development would seem to be a logical next step with the addition of vehicle freight and passenger capability later in corridor development. One constraint however, could be that the transportation uses of such a corridor are more difficult to accommodate than are utility uses. Railroad ROW requires a "flatter and straighter" corridor than does a highway or pipeline. Considerations like this may affect the mix and implementation order of corridor development.

The order of effort will be to determine what need and interest exists for this corridor, what incremental development seems to make the most sense and over what timeline and at what cost, then to discern if private interest is strong enough to participate in its construction and operation. Lastly, we suggest that once a scenario, timeline and cost have been defined that possible private sector construction participants be canvassed for their reaction and suggestions. This could be done in two ways. Because of our team member's extensive involvement with projects similar to the Commerce Corridor in other parts of the nation, the WSA team could seek the reaction of consortiums that are presently pursuing those corridors. A second option would be for WSDOT to formally advertise to a more comprehensive and formal reaction of interest in the corridor. These reactions will be utilized as inputs to evaluate corridor feasibility.

To actually define corridor "features" we suggest a series of meetings with potential corridor users/developers/investors to identify their critical path decision factors. These one-day meetings will be held with pipeline, power transmission users (including other utilities), rail and highway (trucking) to solicit their needs. The pipeline interests will be coordinated with the Discovery Institute. In fact, given that the pipeline issue is a key contributing factor, we will have a meeting with this sector first (in conjunction with the Discovery Institute) as a model for meetings with the other sectors/interests. From

this our team will identify a broad corridor for development and apply criteria homogenized for all the potential users as to grade, width, alignment, etc. WSA's present work with the I-81 Truck Corridor and the Trans-Texas Corridor will bring those current corridor definitions to the analysis.

This task will include a review of previous corridor development proposals and studies in the Commerce Corridor vicinity and corridor concepts being pursued elsewhere in the country (such as the Alameda Corridor and Cross Texas Corridors) that might help define development concepts. In addition, this task will also include, at a minimum:

- a). Potential alignments;
- b). Estimate of the right of way requirements;
- c). Estimate of operating standards. In order to arrive at an estimate of operating standards, private companies and other stakeholders must be consulted to recommend level of service standards and other requirements for the construction and operation of the facility;
- d). Potential traffic projections;
- e). Potential environmental impacts including changes in land use; and
- f). Potential economic benefits and impacts.

Task 3: Develop Preliminary Financial Information

Clearly, the State does not have the financial resources to fully develop this corridor. Hence the requisite analysis of EVERY potential approach toward financing this project, specifically innovative ways in "packaging" the financing AND any possible revenue stream that could be captured to service the "financial package". WSA, HNTB and UBS will all be involved in bringing together data to estimate project costs (HNTB), corridor usage, revenue for a potential corridor (WSA) as well as the financial packaging (UBS). In addition to air right and facility leases, development rights, commercial leases and more traditional revenue generating techniques, we will also examine the potential of innovative financing techniques including, but not limited to; cash management, GARVEE, property benefit assessments, tax increment financing, developer mitigation fees, "shadow tolls", local assessment bonds, section 129 loans, TIFIA, applicability of concessions, IRS 63-20 financing, etc. and how all of these sources could leverage the total corridor.

A key factor in feasibility is the ability to finance the development of the corridor, which depends on development costs, potential usage, and revenue options. This task will include, at a minimum:

- 1). Estimated cost ranges to develop, construct, and operate the corridor;
- 2). Estimate of revenues that could be derived from tolls on the corridor;
- 3). Estimate of revenues that could be derived from other sources including, but not limited to:
 - (a). Air space leases for commercial developments;
 - (b). Facilities leases;
 - (c). Development rights;
 - (d). Leases of right of way for commercial purposes;
 - (e). Other revenue-generating ideas; and
 - (f). Eligibility of the corridor for federal and state sources of funding.
- 4). Potential sources of revenues that could be leveraged to provide funds for developing, constructing, and operating the corridor.

Task 4: Examine The Legal And Statutory Provisions

Another element of feasibility is the ability of the State of Washington to enter into agreements with a private sector consortium to develop the corridor. Current state and federal laws may need to be changed, and other legal issues identified. These issues include but are not limited to:

- a). A discussion of the terms and conditions of agreements necessary to implement the proposal with a private company; and
- b). Agreement provisions that may be required in order for the private companies to finance, construct, and operate the corridor.

Some of the critical issues and challenges in the legal area include; adoption of new procurement methods, including the inclusion of private partners early in the process, early cost and schedule certainty, encouraging flexibility and innovation, promoting competition, leveraging public participation and financing, compliant but streamlined environmental processes, and the eligibility of innovative financing techniques.

The WSA team will work directly with the legal firm that the State of Washington has under contract to provide the needed advice. In coordination with the WSDOT project manager, WSA will work with contracted legal firm to outline the legal and statutory barriers that stand in the way of a commercial approach toward developing the corridor. Some of the Statutory modifications that will be considered include (but are not limited to) authorization to; combine modal elements and proposals, utilize innovative procurement processes, provide flexibility in bonding requirements, allow for multiple forms of contracting arrangements, allow for new types of user tolls, fares, and other revenue-raising measures, provide for early private involvement in the process, and lastly limit risk. The provisions will likely need to define the framework for the Public/Private Partnership such as overall policy and procedures for selecting the successful bidder, reviewing and scoring system, advertisement preparation, review of submittals, solicited and unsolicited, and performance measures.

Task 5: Identify Potential Environmental Issues

This task combines two initiatives. One is a broad brush overview and outline of potential environmental “fatal flaws” for the project. Since no specific alignment will be defined, an overview of the broad corridor will focus on special and sensitive areas to avoid and estimate the cost of potential mitigation. The second is to suggest innovative processes that fully comply and yet combine the environmental procedures and requirements for corridor review.

This task will include:

- a). Initial assessment of known environmental impacts for potential alignments identified, and an examination of permitting requirements for such a corridor; and
- b). Assessment and recommendations for an efficient approach to environmental permitting.

Task 6: Identification of the potential community issues that might be raised and strategies for addressing any potential concerns

Potential community impacts and benefits will be identified, including an assessment of how such a corridor fits with local community growth management plans. The WSA team recognizes that development of this corridor will likely fall outside the growth boundaries adopted by jurisdictions, and that creates special considerations, especially when evaluating access to the corridor and the effect of those access nodes. Based on information released by the Department at the Pre-Bid meeting, it is understood that this initial study will not need an extensive public involvement process. However, due to the community impact sensitivities towards growth along the overall corridor, we propose Advisory Board forums to educate selected interests about the economics of a commerce corridor.

Task 7: Develop Draft Report

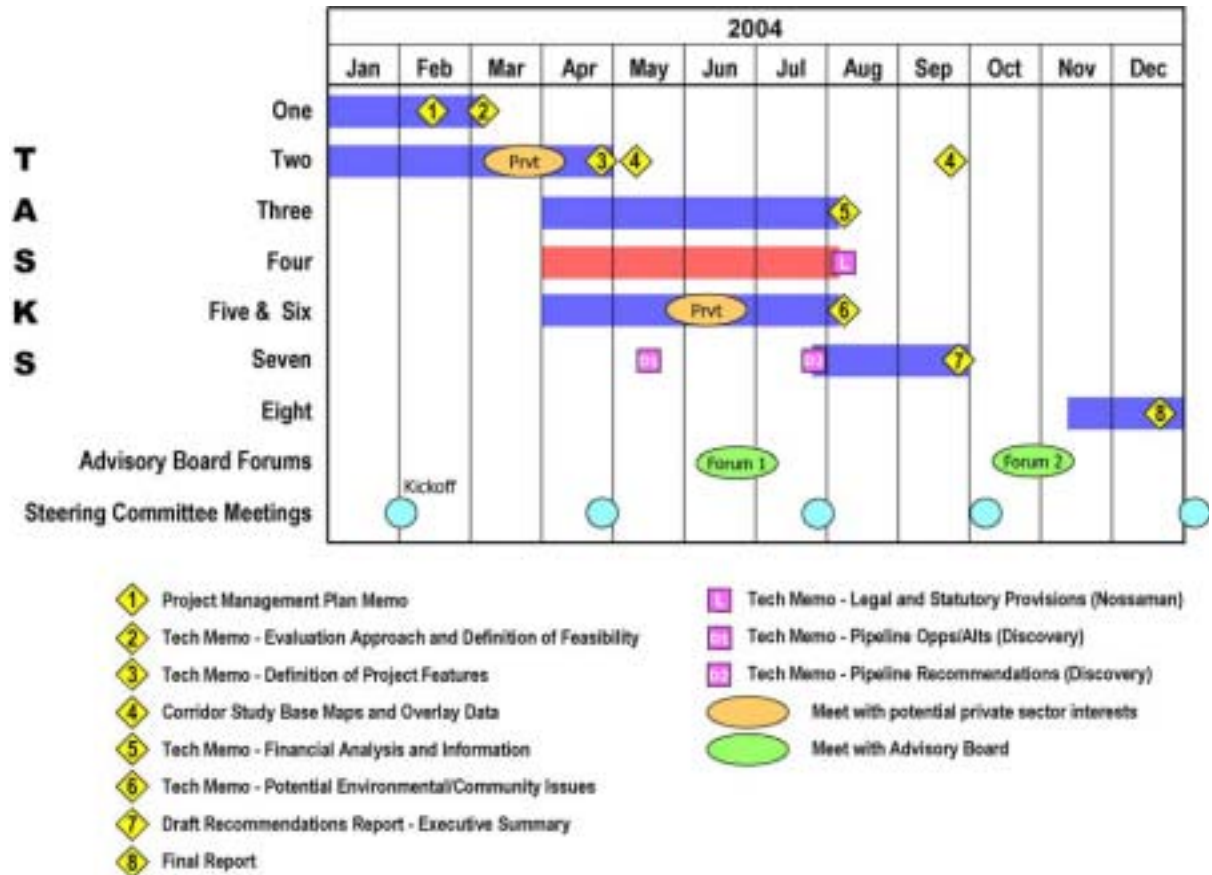
The consultant shall prepare an executive summary style draft report summarizing the results of the feasibility study and making preliminary recommendations as to the feasibility of the Washington Commerce Corridor. The Consultant shall provide this report for the review of the LTC Work Group and the Project Advisory Committee. This task requires that when the analysis is complete, that recommendations and products proceed through a review by the Steering Committee/Advisory Committee prior to completion of a final report. An iteration of work might be expected to follow. WSA however, intends to continually communicate with the Advisory Committee during the progress of the project so that no surprises or long pauses happen at this stage of the project. Another facet of this task is that the team realizes that recommendations are not public or official until adopted by the full Committee for inclusion in the final report.

Task 8: Develop Final Report

The WSA team agrees that preparation of the final report may require the incorporation of changes from Task 7 and that this also requires preparation of presentation materials for the legislature and other interested parties. The team will make available all team members and firms for these presentations as needed.

V. PROJECT SCHEDULE

The following exhibit outlines the schedule for the completion of the various tasks and deliverables, as well as the timing of the various coordinating meetings with the Steering Committee and the Advisory Board.



VI. TENTATIVE MEETING SCHEDULE

Meeting Type	Approximate Date	Agenda
<i>Steering Committee Meetings</i>		
Meeting 1	January 30, 2004	☐ Project Kick-off Meeting
Meeting 2	April 30, 2004	☐ Review Deliverables 1-4 ☐ Review evaluation approach and definition of feasibility ☐ Discuss project features ☐ Review corridor study maps
Meeting 3	July 30, 2004	☐ Review Deliverables 5, 6, and L ☐ Discuss financial analysis and potential environmental/ community issues ☐ Review corridor study maps
Meeting 4	October 1, 2004	☐ Review Draft Recommendations Report
Meeting 5	January 7, 2005	☐ Present Final Report
<i>Advisory Board Forum</i>		
Forum 1	July 5-9, 2004	☐ General overview of project ☐ Goals & objectives ☐ Educate Advisory Board on financial, engineering, legal and environmental issues
Forum 2	October 25-29, 2004	☐ Present early findings

VII. TENTATIVE DELIVERABLE SCHEDULE

Deliverable	Approximate Date
Project Management Plan Memo [Deliverable 1]	Mid February 2004
Tech Memo – Evaluation Approach and Definition of Feasibility [Deliverable 2]	Early March 2004
Tech Memo – Definition of Project Features [Deliverable 3]	Late April 2004
Corridor Study Base Maps and Overlay Data [Deliverable 4]	Mid May and Late September 2004
Tech Memo – Pipeline Opportunities/Alternatives [Deliverable D1 - Prepared by Discovery Institute/needed as input for WSA team]	Mid May 2004
Tech Memo – Pipeline Recommendations [Deliverable D2 - Prepared by Discovery Institute/needed as input for WSA team]	Late July 2004
Tech Memo – Financial Analysis and Information [Deliverable 5]	Early August 2004
Tech Memo – Potential Environmental/Community Issues [Deliverable 6]	Early August 2004
Tech Memo – Legal and Statutory Provisions [Deliverable L]	Early August 2004
Draft Recommendations Report – Executive Summary [Deliverable 7]	Late September 2004
Final Report [Deliverable 8]	Late December 2004

VIII. PROJECT BUDGET BY TASK

Firm	Task 1	Task 2	Task 3	Task 4	Tasks 5 & 6	Task 7	Task 8	Total
Total Cost by Task	24,499	129,682	62,647	30,050	73,119	74,221	55,679	449,898
Cost Share by Task	5%	29%	14%	7%	16%	16%	12%	100%

Task	Description
1	Develop an Evaluation Approach and a Definition of Feasibility
2	Develop a Definition of Project Features
3	Develop Preliminary Financial Information
4	Examine the Legal and Statutory Provisions
5 & 6	Identify Potential Environmental/Community Issues
7	Develop Draft Report
8	Develop Final Report

IX. RESPONSIBILITIES OF CONSULTANT AND WSDOT

Project Management Protocols

The WSA Team and its Project Manager will use the following guidelines for determining overall protocol for communications, meetings, etc:

- A. Study Coordination.** All correspondence and coordination will be handled through and with the concurrence of the Client.
- B. Lines of Communication.** Communications between the WSA Team and LTC/ Project Advisory Committee will be through WSDOT, unless otherwise directed in writing by the Contract Manager.
- C. Study Administration.** The WSA Team Project Manager will manage all study activities, including planned and unplanned meetings; study direction of team and staff, and correspondence with, and responses to the PM; to include assistance to WSDOT in the preparation of responses to inquiries.
- D. Meeting Minutes.** The WSA Team will document all meetings minutes and forward copies of meeting minutes to the LTC/ Project Advisory Committee.
- E. General Correspondence.** The Project Manager will submit all written materials, letters, and survey forms used to solicit information or for data collection to WSDOT for review and acceptance before its use or distribution.
- F. Communication with other Agencies.** Communications with other agencies regarding the study will be coordinated with WSDOT and the LTC/ Project Advisory Committee.
- G. Release of Information.** The release of any study related information will be approved by WSDOT.
- H. Document Printing and Distribution.** The WSA Team will be responsible for printing copies of all draft and final documents; reports, and newsletters produced for the study, except where otherwise defined by a specific task. The LTC/ Project Advisory Committee and its member agencies will be responsible for the distribution of the final study document to appropriate agencies, and for public viewing.

Consultant Responsibilities – Project Deliverables

See Tentative Deliverables Schedule – Section VII

WSDOT Responsibilities – Provision of Available Data

The following is a preliminary list of potential data that may be needed to conduct this study. The actual data needs will be outlined during the first few month of the project, on an as needed basis.

1. Recent Mapping and Aerials
2. Historic (10 years) and Existing Traffic Volumes
3. Future Traffic Volume Projections
4. Historic and Existing Truck Traffic Volumes and Percents
5. Existing and Future NAFTA/International Trade Flow Characteristics
6. Roadway Inventory Information
7. Current/Typical Speed Limits by Functional Class or Highway Type
8. Existing Functional Classification of Area Highways
9. Accident Data/Rates by Accident Type and Highway Type (Last Three Years)
10. Origin-Destination Survey/Information
11. Location and Operational Characteristics of Intermodal Facilities
12. Planned Transportation/Highway Improvements and Programs
13. Existing and Future Socioeconomic Variables (Population, Employment, etc.)
14. Current Land Use Inventories and Future Land Use Plans
15. Information of Major Employers, Tourist Attractions, and Major Traffic Generators
16. Planned Major Development
17. Highway Design Standards
18. Average Unit Construction Costs
19. Average Operations and Maintenance (O&M) Costs by Highway Type
20. Average ROW Acquisition Costs (urban, suburban, rural)
21. Existing and Planned Major Utilities
22. Environmental Resources and Sensitive Areas/Constraints
23. Unique State Environmental Programs
24. Key Environmental Agencies and Contacts
25. Environmental State Statutes, Regulations, DOT Internal Policies, MOA/MOUs, etc.
26. Existing Interlocal Agreements, Funding Arrangements, Policy Endorsements, etc.
27. Previous Related Studies
28. Available Mailing Lists of Area Agencies, Organizations, News Media and Stakeholders
29. Other Available Traffic, Roadway, Land Use, Environmental Information